

Supply Chain Management Unit

31 December 2024

**REPORT ON THE IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY FOR THE QUARTER ENDING  
December 2024**

**1. BACKGROUND**

It is the responsibility of each Municipality to have and implement Supply Chain Management policy which gives effect to the legislative mandate.

The Accounting Officer of the Municipality must at the end of the Quarter submit the report to the Mayor and annually to the Council on the implementation of the supply chain management policy.

This report covers the period of October to December 2024 and was prepared in line with the Supply Chain Management policy as well as Municipal Finance Management Act No. 56 of 2003 (MFMA No.56 of 2003) in relation to the implementation of Municipal Supply Chain Management Policy.

**2. PURPOSE**

The purpose of this report is to assist Council to maintain oversight over the implementation of its Supply Chain Management Policy in terms of regulation 6 of the Municipal Supply Chain Management Regulations of 2005.

**3. ESTABLISHMENT OF SUPPLY CHAIN MANAGEMENT UNIT**

The Municipality has established Supply Chain Management Unit in line with section 111 of the Municipal Finance Management Act No. 56 of 2003 and its Supply Chain Management Policy.

Based on the approved staff establishment, the municipality do not comply with supply chain management framework as prescribed by the Supply Chain Management regulation. The unit is not fully functional, and this may hinder its statutory mandate as prescribed by the National Treasury.

**4. TRAINING OF SUPPLY CHAIN MANAGEMENT OFFICIALS**

Supply Chain Management officials were enrolled with the training provider for them to meet minimum competency level in line with the minimum competency regulations as issued by the National Treasury, which was completed, and they were issued with results. SCM unit has also engaged Provincial Treasury with the training of Bid Committee Members and this training will be conducted in the third quarter. Furthermore, the municipality is intending to enrol other officials within the unit in ensuring that they do comply with or meet the minimum competency requirements over and above the training that will be provided by the Free State Provincial Treasury.

**5. LIST OF ACCREDITED PROSPECTIVE SERVICE PROVIDERS**

The Municipality ensure that its sourced quotations from different providers preferably from but not limited to providers whose names appear on the Central Supplier Database (CSD) as mandatory requirement in line with Section 14(1)(b) of the Municipal Supply Chain Management Regulations. SCM Unit will motivate to the accounting Officer after the approval of the CFO to advertise in a local newspaper on the during the second (3<sup>rd</sup>) Quarter to invite prospective service providers to register on the Central Supplier Database (CSD).

**6. PROCUREMENT PLANS**

The procurement plan for the 2024/2025 financial year is yet to be finalized and approved by the Accounting Officer.

**7. AUDIT ACTION PLAN**

## 8. COMMITTEES

The Accounting Officer has established and appointed personnel to serve in the following bid committees in line with Section 15.5 of the entity's supply chain management policy:

The committees are constituted as follows:

### 7.1 Bid Specification Committee

Position	Name Of Employee	Designation
Member	Me. M. Koaho	PMU Technician
Member	Mr. A. Zantsi	Manager: Town Planning
Member	Mr. I. Moremedi	Unit Manager: Verkeerdevlei
Member	Mrs. L. Lonake	SCM Clerk
Chairperson	Me D Molibeli	PMU Technician

### 7.2 Bid Evaluation Committee

Position	Name Of Employee	Designation
Member	Mr. K. Mohlokoane	Supply Chain Management Clerk
Member	Mr F. Malatji	PMU Technician
Member	Mr K Masekoa	Manager: Water
Member	Me A Klaas	Manager: Human Settlement

### 7.3 Bid Adjudication Committee

Position	Name of Employee	Designation
Chairperson	Mr MA Makoe	Chief Financial Officer
Member	Mr T Tsotetsi	Director Corporate Services
Member	Me M Sello	Director Social and Community Services
Member	Mr B. Lehlekiso	Director Technical Services
Member	Ms K. Kotsamere	SCM Officer (Secretariat)
Member	Mr JS Matobako	SCM Manager

## 7 IMPLEMENTATION OF THE SYSTEM

### 7.1 SUPPLY CHAIN MANAGEMENT POLICY

#### 7.1.1 Policy Background

The Supply Chain Management processes is initiated in line with the Council approved entity's Supply Chain Management Policy. The Implementation of the SCM Policy is subject to annual review as part of budget related policies.

For implementation in the month under review, the policy was approved by the Council as part of the Medium-Term Review and Expenditure Framework (MTREF) for the financial year 2024-25 submission.

Any amendments to the policy were critically analysed to value the impact before they were approved by the Council for implementation

#### 7.1.2 Classification and Categorisation of Goods and/or Services Reported

**The following classification and categorisation of goods and/or services are reported on separately and in detail as they are deemed to be essential and important for informed decision making in the implementation of procurement processes in line with the entity's SCM Policy and other mandatory legislations:**

- Advertised Bids for goods and/or services worth above the Rand value of R10 Million (Vat Incl)
- Advertised Bids for goods and/or services worth above the Rand value of R200,000 (Vat Incl)
- Advertised Formal Written Quotations for goods and/or services worth between the minimum Rand value of R30,001 (Vat Incl) and maximum Rand value of R200,000 (Vat Incl)
- Awarded Bids for goods and/or services worth above the Rand value of R200,000 (Vat Incl)
- Approved Formal Written Quotations for goods and/or services worth between the minimum Rand value of R30,001 (Vat Incl) and maximum Rand value of R200,000 (Vat Incl)
- Approved Written Quotations for goods and/or services worth below the Rand value of R30,001 (Vat Incl)
- Deviations from normal Supply Chain Management processes
- Unauthorised, Irregular Expenditure, Fruitless & Wasteful Expenditure
- Monthly physical stock counts
- Contract and Performance Management.

#### 7.1.3 Regulations on Advertising of Competitive Bids

Regulation 22.1 (a) & (b) of the Municipal SCM Regulations stipulates that, on Public invitation for competitive bids – a supply chain management policy of a municipality or municipal entity must determine the procedure for the invitation of competitive bids, and must stipulate –

- (a) That any invitation to prospective providers to submit bids must be by means of a Public advertisement on the E-Tender portal, the municipal entity's notice board and on the website of the municipality or municipal entity.
- (b) All bids advertised on the E-Tender and on the website of the municipality or municipal entity, which include – the disclosure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any case, from the date on which the advertisement is placed on the E-Tender portal, subject to sub-regulation (2)

### 7.2 DEMAND & ACQUISITION MANAGEMENT

#### ADVERTISED BIDS DURING THE MONTH OF OCTOBER - DECEMBER 2024.

#### ADVERTISED BIDS.

The following bids above R 200 001 were advertised bids during the month of October – December 2024.

Bid/Tender No.	Description	Briefing Session	Closing Date
2024/10/001	Appointment of a service provider for implementation of Energy Efficiency Demand-side Management (EESDM) within Masilonyana Local Municipality	N/A	31 October 2024

2024/11/002	Appointment of a service provider (contractor) for the refurbishment of the Brandfort 11KV switching station in Masilonyana Local Municipality	26 November 2024	5 December 2024
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**7.3 AWARDED BIDS FOR PROCUREMENT ABOVE R200 001.00 DURING THE MONTH OF OCTOBER - SEPTEMBER 2024**

Bid/Tender No.	Description	Awarded company	Amount
2024/09/001	APPOINTMENT OF A CONTRACTOR FOR THE CONSTRUCTION OF 1KM BLOCK PAVED ROADS AND STORMWATER IN MAKELEKETLA/WINBURG	BANDAN DISTRIBUTORS AND SERVICES JV NHLANHLA ENGINEERING AND PROJECTS (PTY) LTD	R 13 089 378.78

**7.4 ADVERTISED WRITTEN FORMAL QUOTATIONS FOR PROCUREMENT BETWEEN R30 001.00 – R200 000.00 DURING THE MONTH OF OCTOBER - DECEMBER 2024.**

- There were no formal quotations between R30 001.00 – R200 000.00 during the month of October – December 2024.

**QUOTATIONS BULLETIN:**

N/A

**7.5 AWARDED WRITTEN FORMAL QUOTATIONS FOR PROCUREMENT R30 001 – R200 000, 00 DURING THE MONTH OF OCTOBER - DECEMBER 2024.**

- There were no formal quotations between R30 001.00 – R200 000.00 during the month of October – December 2024.

**7.6 AWARDED QUOTATIONS FOR PROCUREMENT R 0 – R30 000, 00 DURING THE MONTH OF OCTOBER - DECEMBER 2024.**

PURCHASE ORDER NO.	DESCRIPTION	NAME OF A BIDDER	DATE OF AWARD	AWARD AMOUNT	LOCATION
PO00853	Accommodation for Finance staff	Protea Hotel (Marriott)	22 October 2024	R 5 730.00	Bloemfontein
PO00817	Pipes for water pump generator	Basia Elite Group Company	26 September 2024	R 15 300.00	Bloemfontein
PO00849	Hiring of a flat lowbed to collect TLB from JHB to Theunissen	Sonka Truck and Plant Sales	22 October 2024	R 16 330.00	Kempton Park
PO00852	Accommodation for S. Mbuze in Durban	Essenwood Park Hotel	22 October 2024	R 1 100.00	Durban
PO00880	Transport to Welkom for Lejweleputswa Health Summit	Thabo Luian Molelekwa	13 November 2024	R 9 900.00	Brandfort
PO00876	1 TLB Front wheel	Basia Elite Group Company	08 November 2024	R 16 750.00	Bloemfontein

PO00932	Finance Fridge	Oristix General Trading	19 December 2024	R 7 999.00	Theunissen
PO00933	PMU Stationery	Lebakeng Investment General Trading (PTY) LTD	19 December 2024	R 27 281.97	Theunissen
PO00934	PMU Fridge and Microwave	Unrivald Destiny	19 December 2024	R 9 950.00	Kutlwanong

**7 APPROVED PANEL SYSTEM PROCUREMENT DURING THE MONTH OF OCTOBER - DECEMBER 2024.**

The purpose of the panel system procurement is to ensure that Supply Chain Unit complies with section 217 (1) of the Constitution of South Africa to coordinate the implementation of panel system in a fair, equitable, transparent, competitive and cost-effective manner. This exercise is prescribed in the Supply Chain Management Policy under section 23.16 to allocate work to appointed service providers placed on the panel on a rotational basis.

The following were approved panel system procurement during the period.

Maintenance and repairs of Pump, motor and pipeline:

- Boleng Trading (Pty) Ltd
- Cosmo Bros (Pty) Ltd
- DNL Cool Aircon (Pty) Ltd
- EcoChem Pumps (Pty) Ltd
- Kimopax Africa (Pty) Ltd
- Kopano Geosolutions JV TYA Group
- Seaben Trading and Projects

Water and waste Chemicals:

- Rheochem (Pty) Ltd
- Odimac General Trading (Pty) Ltd
- Motuma Technologies (Pty) Ltd
- Metsi Chem International (Pty) Ltd
- Improchem (Pty) Ltd T/A Aeci Water
- Rocastep (Pty) Ltd

Yellow fleet:

- Mulaudzi's Development Projects (Pty) Ltd
- Bokokotla Matshabo Construction & Projects (Pty) Ltd
- Moepa-Gauta Engineering Trading and Projects (Pty) Ltd
- Matsapa Trading 725
- Motsewarona Construction & Maintenance (Pty) Ltd
- Iwe Civil and Project Management (Pty) Ltd
- Stimer Construction and Projects 123
- Phenyoo and Boitumelo Projects

**9. DEVIATIONS FROM NORMAL SCM PROCUREMENT PROCESSES DURING THE MONTH OF OCTOBER - DECEMBER 2024.**

The following are the deviations recorded during the fourth quarter as required by Supply Chain Management Regulations and Section 36 of Masilonyana Local Municipality SCM policy.

The following were deviations from normal SCM procurement process in terms of section 36 of the SCM Policy were recorded

NO.	NAME OF SUPPLIER	SERVICE	VALUE (R)	DIRECTORATE
	CH OELOFSE TREKKERDIENS BK	TLB PUMP	R 40 654.80	ASSET MANAGEMENT
	ALL ABOUT ADS	PUBLICATION OF VACANCIES	R21 923.88	HRM
	ASSESSMENT TOOLBOX	ASSESSMENT OF DIRECTORS	R 51 011.56	HRM

10. IRREGULAR EXPENDITURE DURING THE MONTH OF OCTOBER - DECEMBER 2024.  
REF ANNEXURE A

11. LOGISTICS MANAGEMENT AND CONTRACT MANAGEMENT

Currently Supply Chain Management is in the process of establishing the logistic management unit and contract management with the expectation that during the second quarter of the new financial year the unit will be functional.

12. RECOMMENDATION

Take note of the Supply Chain Management Report for 2<sup>ND</sup> quarter ended 31<sup>st</sup> of DECEMBER 2024.

Prepared by (Manager Supply Chain):



Mr J.S Matobako

DATE: 09/01/2024 <sup>2025</sup> 

Reviewed by (Chief Financial Officer):



Mr A.M Makoae

DATE: 09/01/2025

Approved by (Acting Municipal Manager):



Mr. T. Tsoetsi

DATE: 10/01/2025